

House Public Works & Highways **Committee**

**STATE OF THE STATE'S HIGHWAY FUND,
ROADS, BRIDGES, CHALLENGES & NEEDS
February 7, 2019**

Presented By:

Victoria Sheehan, Commissioner

Christopher Waszczuk, Deputy Commissioner

Highway Fund

- Highway Fund is not the DOT and DOT is not the Highway Fund
- Fund in which unrestricted revenue from gas tax/road toll and registration fees is collected by Dept. of Safety
- Also Fund in which restricted revenue for federal construction reimbursement, GARVEE bond and TIFIA proceeds are collected
- Primary source of funding for Operating Budget

Highway Fund

- Revenue from Highway Fund is appropriated to various agencies: DOT, Safety, Judicial Branch, Justice and Economic Affairs
- In 2018:
 - 59% was appropriated to DOT
 - 26% to DOS and other agencies
 - 15% to Municipalities
- State's Highway Fund has structural deficit
 - A number of one-time fixes since 2008 to balance budgets
 - Increase in fuel efficiency of automobiles has resulted in flat and projected to decline gas tax receipts
 - Annual Expenditures are higher than incoming revenue

History of Unrestricted Highway Fund Revenue

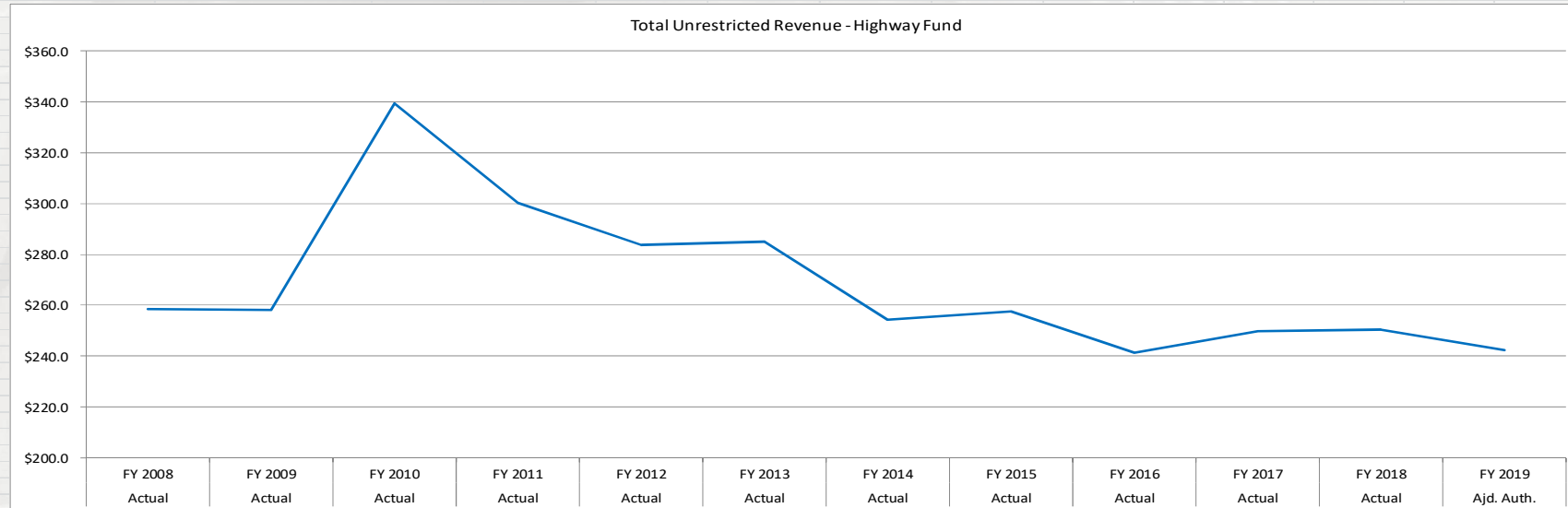
State of New Hampshire Department of Transportation History of Highway Fund Revenue

Unrestricted Revenue (Highway Funds)													
	Actual FY 2008	Actual FY 2009	Actual FY 2010	Actual FY 2011	Actual FY 2012	Actual FY 2013	Actual FY 2014	Actual FY 2015	Actual FY 2016	Actual FY 2017	Actual FY 2018	Ajd. Auth. FY 2019	
Gas Road Tolls	\$ 137.2	\$ 131.7	\$ 123.7	\$ 125.0	\$ 124.9	\$ 123.3	\$ 124.7	\$ 125.8	\$ 123.6	\$ 124.6	\$ 126.1	\$ 123.0	
Motor Vehicle Fees	100.7	99.1	103.2	94.2	104.4	107.5	106.6	110.4	85.1	89.9	90.3	81.9	
\$30 Reg. Surcharge			38.9	29.7									
Subtotal Road Toll & Motor Vehicle Fees	237.9	230.8	265.8	248.9	229.3	230.8	231.3	236.2	208.7	214.5	216.4	204.9	
Court Fines	9.4	9.3	8.0	8.2	7.8	7.0	7.2	6.8	6.9	6.2	5.7	5.6	
Miscellaneous	11.2	18.0	22.9	21.0	19.3	21.4	0.8	0.4	0.3	0.3	0.2	0.3	
Retro Turnpike Toll Credits *			12.7	2.1	1.4								
I-95 Sale			30.0	20.0	26.0	26.0	15.0	14.2	0.4				
Cost of Collections**									25.1	28.7	28.1	31.4	
Total Unrestricted Revenue - Highway Fund	\$ 258.5	\$ 258.1	\$ 339.4	\$ 300.2	\$ 283.8	\$ 285.2	\$ 254.3	\$ 257.6	\$ 241.4	\$ 249.7	\$ 250.4	\$ 242.2	

Source: State CAFR Revenue Reports

*Toll credits can be applied to projects retroactively, i.e., after project authorization. The Department received Federal revenue reimbursement for match funds paid in prior years with Highway Funds.

** Beginning in FY16, Cost of Collections is restricted and deducted from revenue prior to depositing in unrestricted Highway Fund.



	Actual FY 2008	Actual FY 2009	Actual FY 2010	Actual FY 2011	Actual FY 2012	Actual FY 2013	Actual FY 2014	Actual FY 2015	Actual FY 2016	Actual FY 2017	Actual FY 2018
State CAFR Highway Fund Balance/(Deficit)	\$ (27.5)	\$ (54.9)	\$ 9.0	\$ 20.3	\$ 34.8	\$ 46.3	\$ 33.2	\$ 16.2	\$ 35.4	\$ 48.4	\$ 44.2

History of One-Time Revenue Enhancements

State of New Hampshire Department of Transportation History of Highway Fund Revenue - Short-term Sources

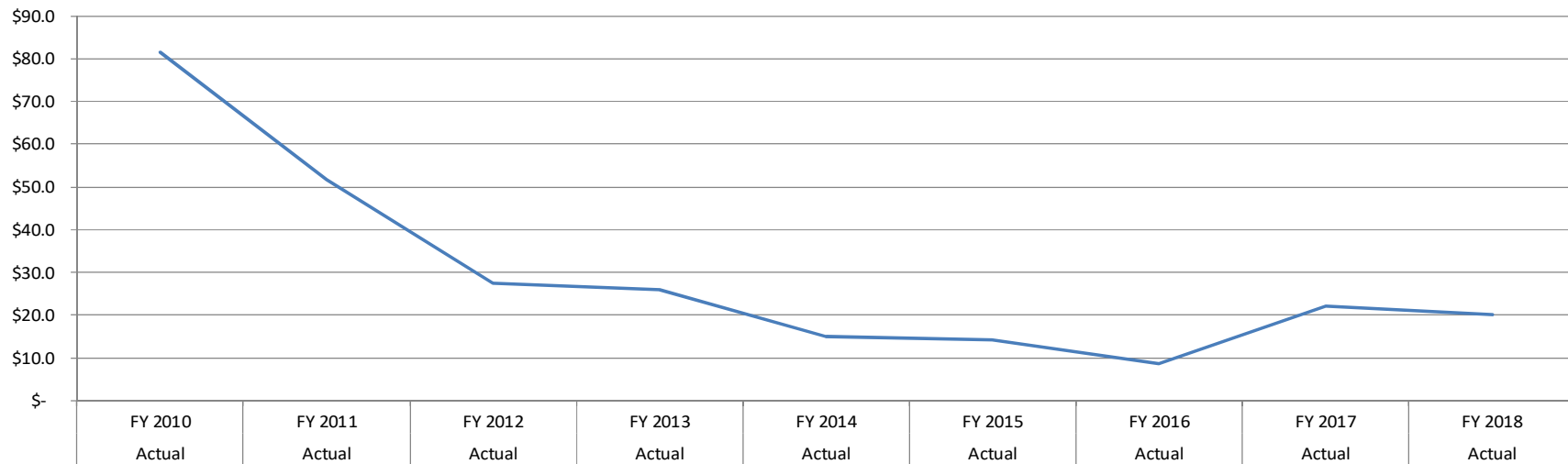
Unrestricted Revenue (Highway Funds)									
	Actual FY 2010	Actual FY 2011	Actual FY 2012	Actual FY 2013	Actual FY 2014	Actual FY 2015	Actual FY 2016	Actual FY 2017	Actual FY 2018
\$30 Reg. Surcharge	38.9	29.7							
Retro Turnpike Toll Credits	12.7	2.1	1.4						
I-95 Sale	30.0	20.0	26.0	26.0	15.0	14.2	0.4		
SB367 for NHDOT Highway Operations							8.3	8.3	
General Fund Transfer to Highway Fund *								13.9	
HB 1817 General Fund State Red List Bridges									20.0
Total Unrestricted Revenue - Highway Fund	\$ 81.6	\$ 51.8	\$ 27.4	\$ 26.0	\$ 15.0	\$ 14.2	\$ 8.7	\$ 22.2	\$ 20.0

Source: State CAFR Revenue Reports

* HB517 (HB2) Section 156:232, \$13.9M appropriated to the Highway Fund from the General Fund, effective June 30, 2017.

** A one-time payment from the General Fund through the Highway Fund to Municipalities in the amount of \$30M for local highway aid was made in July 2017, and \$6.8M and \$10.4M from the General Fund is dedicated for municipal bridge projects in 2017 and 2018, respectively.

Revenue from Short-Term Sources: Highway Fund



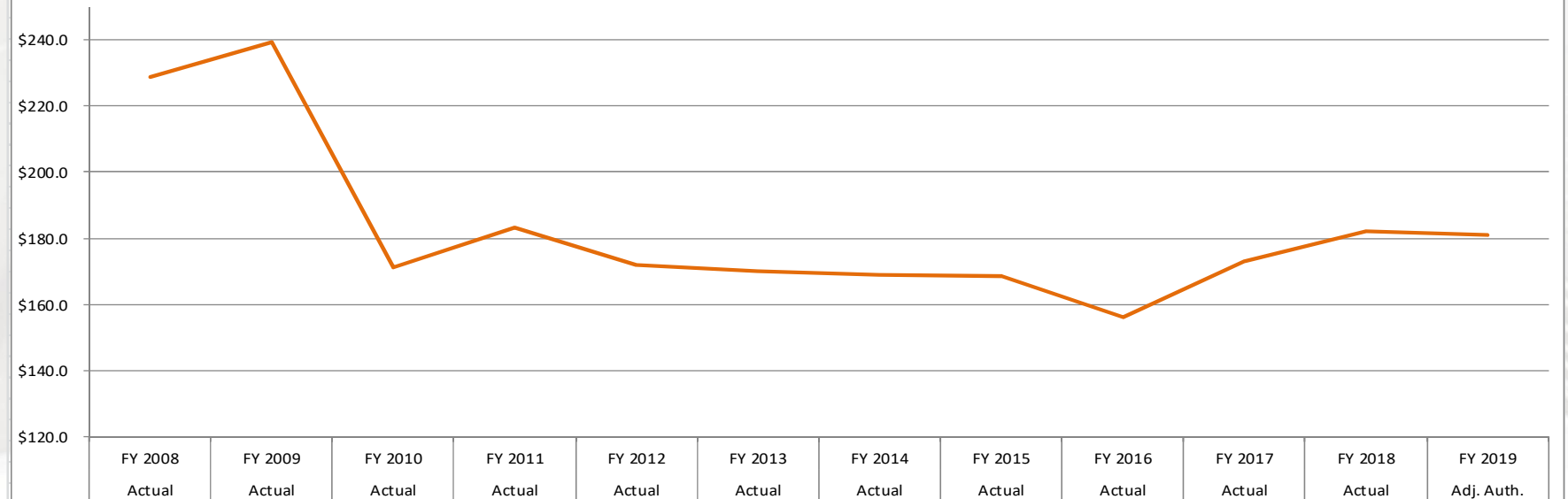
History of Highway Funded Operating Expenses

State of New Hampshire Department of Transportation History of Highway Funded Operating Expenses

(in millions)

	Actual FY 2008	Actual FY 2009	Actual FY 2010	Actual FY 2011	Actual FY 2012	Actual FY 2013	Actual FY 2014	Actual FY 2015	Actual FY 2016	Actual FY 2017	Actual FY 2018	Adj. Auth. FY 2019
Highway Fund Operating Expense	\$ 279.0	\$ 300.5	\$ 238.7	\$ 248.1	\$ 234.8	\$ 230.6	\$ 229.0	\$ 231.6	\$ 212.2	\$ 227.4	\$ 243.5	\$ 244.1
Less Non-Discretionary Items:												
Debt Service	7.6	11.8	13.1	6.1	11.8	12.3	12.3	11.6	11.8	11.1	12.3	12.2
Municipal Aid	32.9	36.5	42.6	47.2	39.7	37.3	35.8	40.1	32.5	30.8	36.6	37.0
Retirees Pension/Health, Workers Comp, Unempl. Comp	8.1	11.0	9.8	8.6	9.4	9.1	8.8	8.4	9.2	9.7	9.9	11.4
General Fund Overhead	1.8	2.0	2.0	2.8	2.1	1.9	3.0	2.8	2.6	2.7	2.5	2.6
Net Highway Fund Operating Expense	\$ 228.6	\$ 239.2	\$ 171.2	\$ 183.4	\$ 171.8	\$ 170.0	\$ 169.1	\$ 168.7	\$ 156.1	\$ 173.1	\$ 182.2	\$ 180.9

Net Highway Funded Operating Expenses



History of Road Toll Motor Vehicle Fees

State of New Hampshire Department of Transportation History of Road Toll and Motor Vehicle Fee Revenues

(In Millions)																
Updated 1/17/2019																
		A	B	C	D	E	F G		H	I	J	K	L			
	CAFR (Business License Taxes (Road Toll) - Restricted & Unrestricted)	(SOA AU 2943 Expense+ AU 8910 class 414)	(SOA Org 3039 Revenue)	(SOA AU 8910 Revenue less class 414 expense)	CAFR	CAFR (Motor Vehicle Fees - Restricted & Unrestricted)		(E+F)	(SOA AU 3018/2939 Expenses less OIT, + Direct Appropriations from CAFR Expenditures)	(D+G-H)	(A+F)/(A+F +D+G)	(H/(A+F+D+ G))	(I/(A+F+D +G))			
Source:																
Schedule:		Surplus	Restricted	Restricted	Surplus			Surplus Surplus	Surplus	Surplus						
	22.2c Total Gas Tax (A+B+C+D) (Note 7)	2.7c (12%) Block Grant Aid A&B		2.6c Betterment (Note 2)	3.7c SB 367 Gas Tax			12% Block Grant from Motor Vehicle Fees	88% Net Motor Vehicle	Hwy Funds Available to Other Agencies		Highway Fund Balance for NHDOT	% for Muni's	% for Other Agencies	% for NHDOT	
1987	84.1	8.4		0.0	0.0	75.7		43.3	5.2	38.1		27.1	86.7	10.7%	21.3%	68.0%
1988	84.3	13.2		0.0	0.0	71.1		46.4	5.6	40.8		29.8	82.1	14.4%	22.8%	62.8%
1989	88.9	10.7		0.0	0.0	78.2		48.7	5.8	42.9		31.4	89.6	12.0%	22.8%	65.1%
1990	82.6	10.0		0.0	0.0	72.6		53.8	6.5	47.4		32.6	87.4	12.1%	23.9%	64.0%
1991	90.4	10.1		0.0	0.0	80.3		52.8	6.3	46.5		34.1	92.7	11.5%	23.8%	64.7%
1992 (1)	103.7	10.4		9.6	0.0	83.7		55.0	6.6	48.4		34.1	98.1	11.4%	22.8%	65.8%
1993	106.4	12.0		10.1	0.0	84.3		55.3	6.6	48.7		35.8	97.2	12.3%	23.6%	64.1%
1994	107.6	12.5		10.4	0.0	84.7		56.4	6.8	49.7		35.3	99.1	12.5%	23.0%	64.5%
1995	112.7	12.6		10.6	0.0	89.5		59.5	7.1	52.3		37.1	104.7	12.2%	23.0%	64.8%
1996	118.3	13.4		11.2	0.0	93.7		60.2	7.2	53.0		37.5	109.1	12.3%	22.4%	65.2%
1997	123.0	13.8		12.0	0.0	97.2		62.4	7.5	55.0		40.2	112.0	12.3%	23.2%	64.5%
1998	128.1	14.5		12.6	0.0	101.0		64.5	7.7	56.7		40.8	117.0	12.4%	22.7%	65.0%
1999 (2)	133.3	14.6		13.5	0.0	105.2		66.3	8.0	58.4		42.2	121.4	12.1%	22.7%	65.2%
2000	136.0	15.0		20.0	0.0	101.0		69.9	8.4	61.5		46.9	115.6	12.6%	25.2%	62.2%
2001	139.8	16.4		20.3	0.0	103.1		72.1	8.6	63.4		48.2	118.4	13.1%	25.1%	61.8%
2002	142.8	15.6		21.1	0.0	106.1		83.7	10.0	73.7		52.1	127.7	12.5%	25.3%	62.2%
2003	145.6	16.8		21.4	0.0	107.4		87.7	10.5	77.2		54.5	130.0	12.9%	25.7%	61.4%
2004	152.0	16.4		22.1	0.0	113.5		89.9	10.8	79.1		57.2	135.4	12.4%	26.0%	61.6%
2005	154.6	18.3		22.6	0.0	113.7		93.2	11.2	82.0		63.2	132.4	13.1%	28.1%	58.8%
2006	149.8	18.5		21.9	0.0	109.4		85.7	10.3	75.5		70.0	114.8	13.5%	32.8%	53.8%
2007	151.5	17.3		22.0	0.0	112.2		93.3	11.2	82.1		74.2	120.1	12.8%	33.3%	53.9%
2008	151.7	17.5		14.7	(3)	119.5		100.9	12.1	88.8		75.7	132.6	12.4%	31.8%	55.7%
2009	146.3	18.6		14.2	(3)	113.5		99.3	11.9	87.4		79.3	121.6	13.2%	34.3%	52.6%
2010	147.0	12.6	(9b)	23.3	(4)(7)	111.1	(5,8)	142.1	17.1	125.1	(6)	81.9	154.4	11.2%	30.8%	58.1%
2011	161.2	20.0	(9b)	36.2	(7)	105.0	(5,8)	123.9	14.9	109.1		84.5	129.6	14.0%	33.9%	52.1%
2012	144.0	22.0	(9b)	21.7		100.3	(8)	104.4	12.5	91.9		80.4	111.8	15.2%	35.5%	49.3%
2013	144.2	17.1	(9b)	20.8		106.3	(8)	106.5	12.8	93.7		82.0	118.0	13.0%	35.7%	51.3%
2014	145.8	17.1	(9b)	21.1		107.6	(8)	109.2	13.1	96.1		83.6	120.0	12.9%	35.8%	51.3%
2015	181.4	19.8	(9b)	21.3	34.3	106.0	(8)	107.8	13.1	94.7		83.4	117.3	14.1%	35.7%	50.2%
2016	182.6	21.9	(9b)	21.5	30.6 (10)	108.6	(8)	107.7	12.9	94.8	(9c)	64.2	139.2	14.6%	27.0%	58.4%
2017	184.1	22.0	(9b)	21.8	30.8 (10)	109.5	(8)	113.5	12.9	100.6	(9c)	66.5	143.6	14.3%	27.1%	58.6%
2018	184.9	22.2	(9b)	22.0	31.2	109.5	(8)	114.1	13.6	100.5	(9c)	65.1	144.9	14.6%	26.5%	58.9%
2019 Budget	182.5 (9)	21.7 (9)		21.7 (9)	30.3 (9)	108.8 (9)	(8,9)	109.9	13.7	96.2	(9c)	63.8	141.1	14.7%	26.6%	58.7%

(1) Additional Tax of Two Cents to Betterment (resulting in gas tax increasing from \$.16 to \$.18) (enacted 1992)

(2) One Additional Cent to Betterment from Gas Tax (results in a total of \$.03 for Betterment) (enacted 1999)

(3) Additional funds for Betterment made available by bonds in HB 25 Ch 264, L07 - \$7.5m ea FY

HB 2 Ch 263:36 reduces from \$.03 to \$.02 Betterment Funding FY 08 & 09. The \$.01 reduction to offset bonds above.

(4) Reflects increase from \$.02 to \$.03 from Gas Tax - prior biennium (FY 08 & 09) dedicated \$.01 to Debt Service and an additional \$2 million.

(5) This includes \$30 registration surcharge which was approved for FY 2010 and FY 2011.

(6) Starting in FY 2010, funding provided by direct appropriation from Highway Fund to Agency.

(7) FY 2010 & 2011 includes \$17 million additional funds.

(8) Net of court fines.

(9) Budget

(9b) Actual Calc

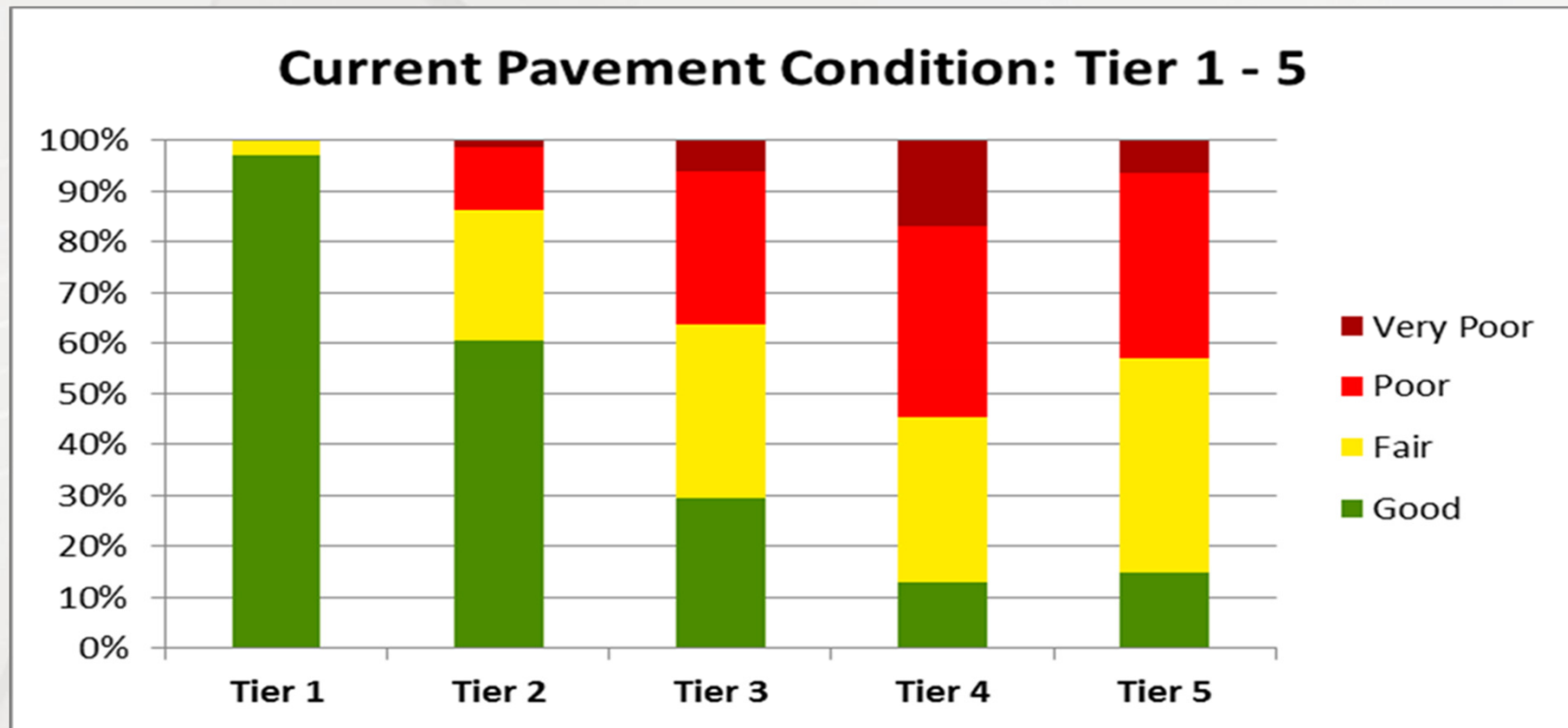
(9c) Beginning in FY16, a portion of Safety's actual expenses and budget historically funded with highway funds, was funded with general funds.

(10) Includes \$8.3M in each fiscal year for Road Toll revenue restricted to cover operating expenses in AU 3007 Highway Maintenance.

NH Gas Tax / Road Toll Restrictions

- NH Gas Tax / Road Toll - 23.8 cents
 - 22.2 cents flows into Highway Fund
- Cost of Collections - \$2.6M (0.3 cents)
- Municipal Aid – 12% of gross road toll - \$22.2M (2.7 cents)
 - Per RSA 235:23
- State Highway & Bridge Betterment - \$22.0 (2.6 cents)
- SB367 – net of municipal aid - \$31.2 M (3.7 cents)
 - Per RSA 260:32-a & b, and as amended in Chapter 275:210 Laws of 2015
 - Restricted for I-93 debt service
- Of the overall 22.2 cents that flows into Highway Fund, 12.9 cents is available for operations

Current State of Infrastructure (Roads)



- Tiers 1 & 2 – 91% of roads are in good or fair condition
- Tiers 3 & 4 – 57% of roads are in good or fair condition
- Overall, 72% of NH's roads (state & municipal) are good/fair
Conversely, 28% (1,172 miles) are poor/very poor condition

Current State of Infrastructure (Roads)



Tier 3: NH 129 (Loudon)



Tier 3: NH 12A (Alstead)



Tier 4: Rhododendron Road (Fitzwilliam)



Tier 4: Village Road (Surry)

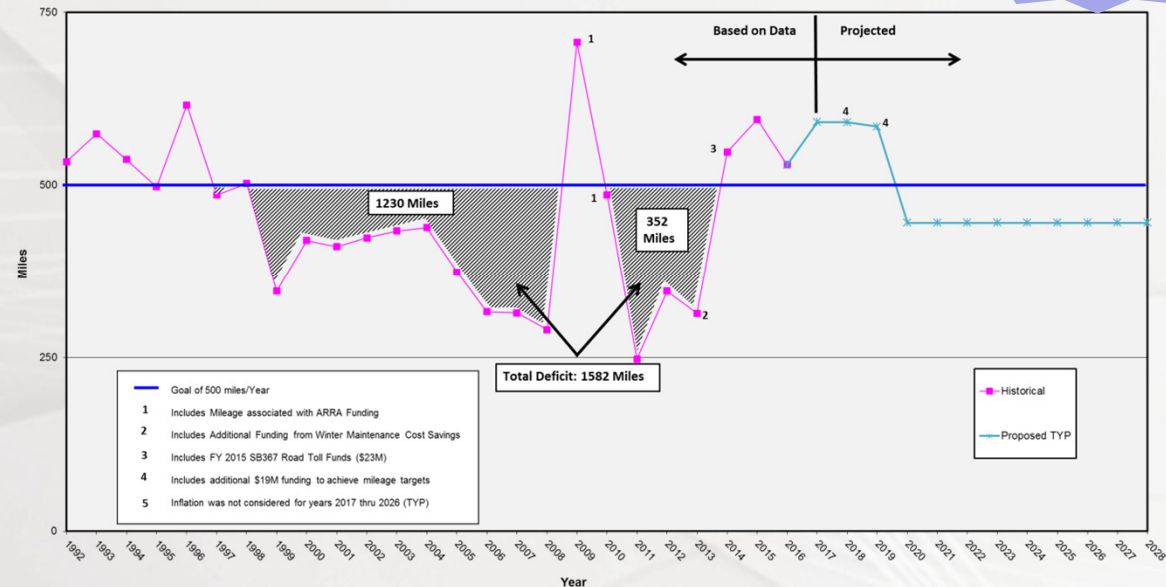
Above photos depict representative conditions on poor and very poor Tier 3 & 4 roads

A Look Ahead – Road Condition

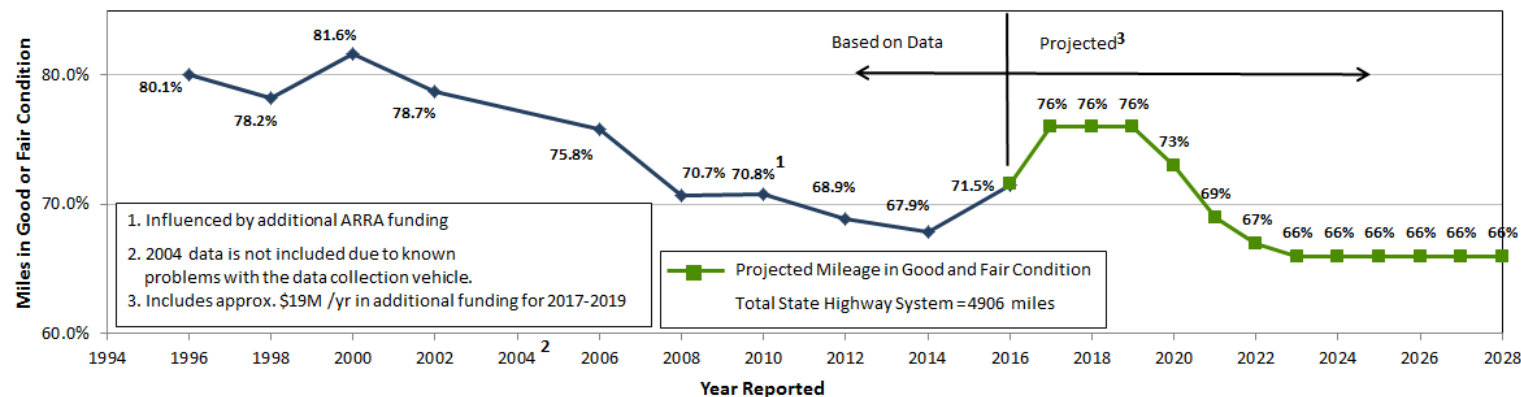
Based on current level of investment in the TYP

- Past years backlog of deficit paving reduced the state's overall pavement condition from a high of 82% of roads in good or fair condition to a low of 68%
- Current and projected pavement in good or fair condition is expected to rise to 76% with the current level of investment through 2019 then decline to 66% in the outer years of the TYP.

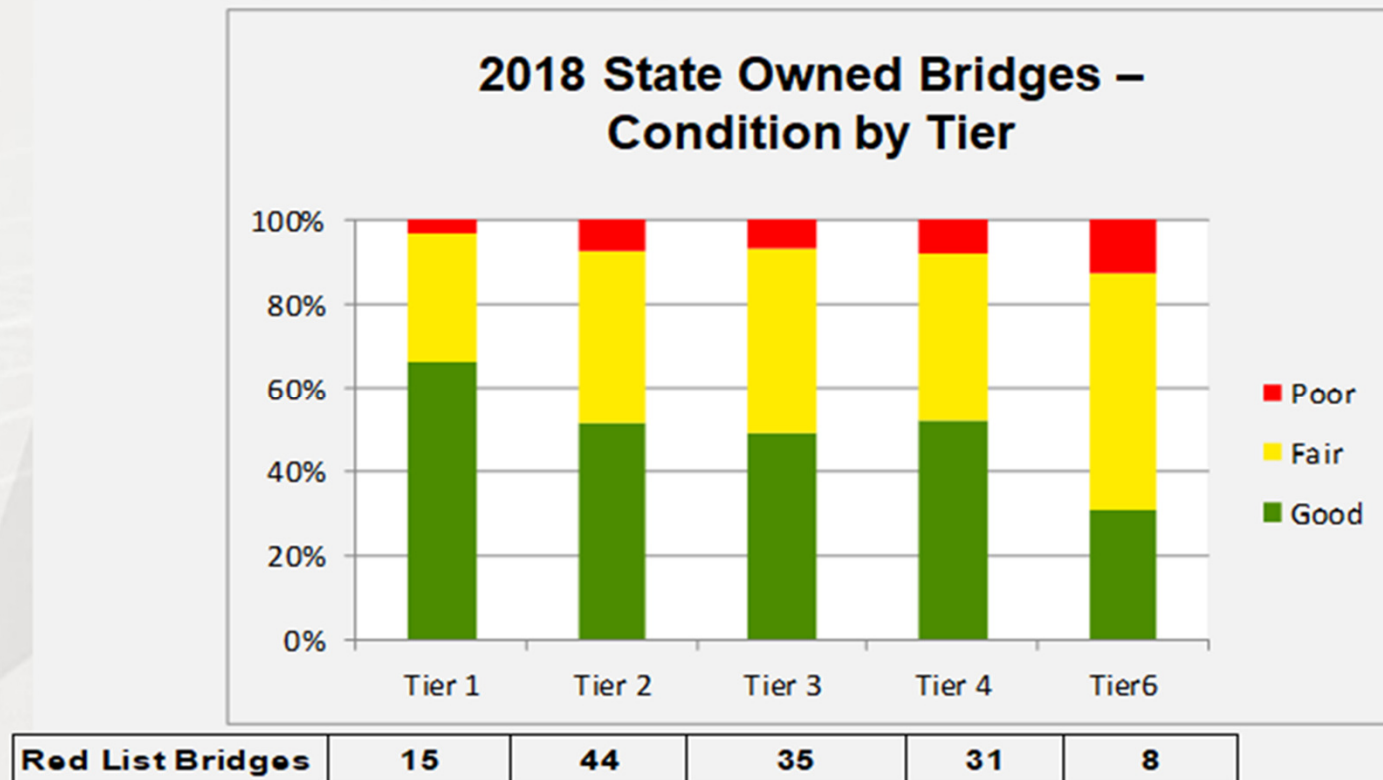
NHDOT Miles of Road Resurfaced
1992 to 2016 Actual; 2017 to 2028 Proposed ⁵



NH Pavement Condition
1996 to 2028



Current State of Infrastructure (Bridges)



- Presently (2018) – 133 State Red-List Bridges
- Tiers 1 & 2 – 3% (59 bridges) in poor condition (red list)
- Tiers 3 & 4 – 4% (74 bridges) in poor condition (red list)
- Additionally 252 Municipal Red-List Bridges (2018)

Current State of Infrastructure (Bridges)



**Photos depict a bridge in Lancaster
on Tier 2 Roadway – listed as Priority #4
on State's Red-List Bridges**

- **US 2 over Connecticut River**
- **First placed on Red List in 2013**
- **Adv Date - 11/27/2018 (SB367 TIFIA
Pledged Revenue & FASTLANE Grant)**

Current State of Infrastructure (Bridges)



Photos depict a bridge in Ossipee on Tier 2 Roadway – listed as Priority #8 on State's Red-List Bridges

- **NH 16 over Bearcamp River**
- **First placed on Red List in 2004**
- **Adv Date - 7/24/2018 (SB367 TIFIA Pledged Revenue)**

Current State of Infrastructure (Bridges)



Photos depict a bridge in Lyme, NH – Thetford, VT on Tier 4 Roadway – listed as Priority #11 on State's Red-List Bridges

- East Thetford Rd over Connecticut River
- First placed on Red List in 2013
- Adv. Date Jan 2020 (Surplus General Funding (HB1817) & VT Funding)

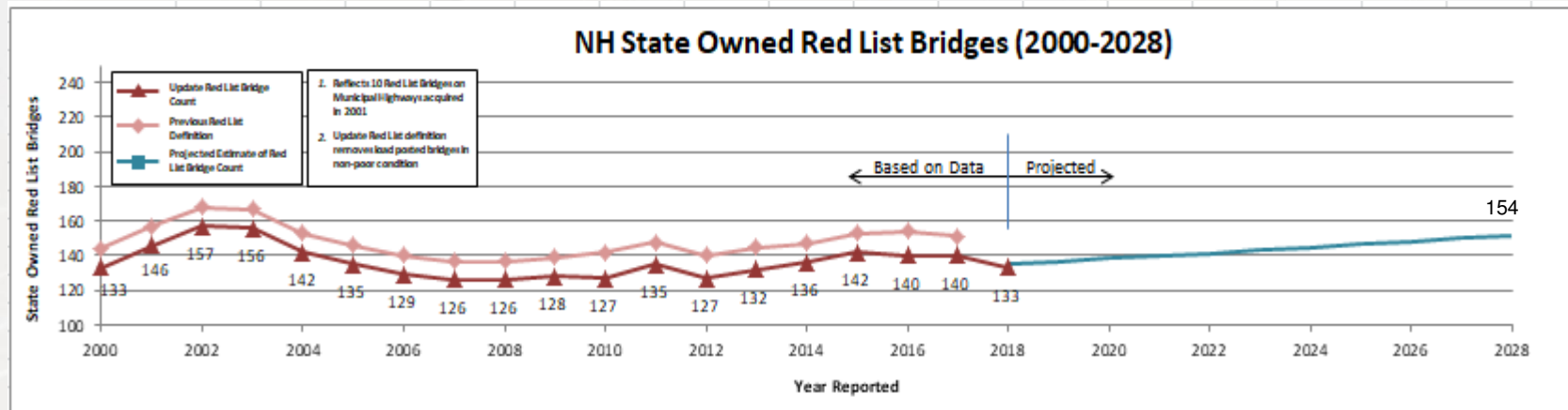
Current State of Infrastructure (Bridges)



Photos depict a bridge in Swanzey on Tier 3 Roadway – listed as Priority #33 on State's Red-List Bridges

- **NH 32 over Martin Brook**
- **First placed on Red List in 2000**
- **In TYP for replacement in 2022 (SB367 TIFIA Pledged Revenue)**

A Look Ahead – State Bridge Condition 2018



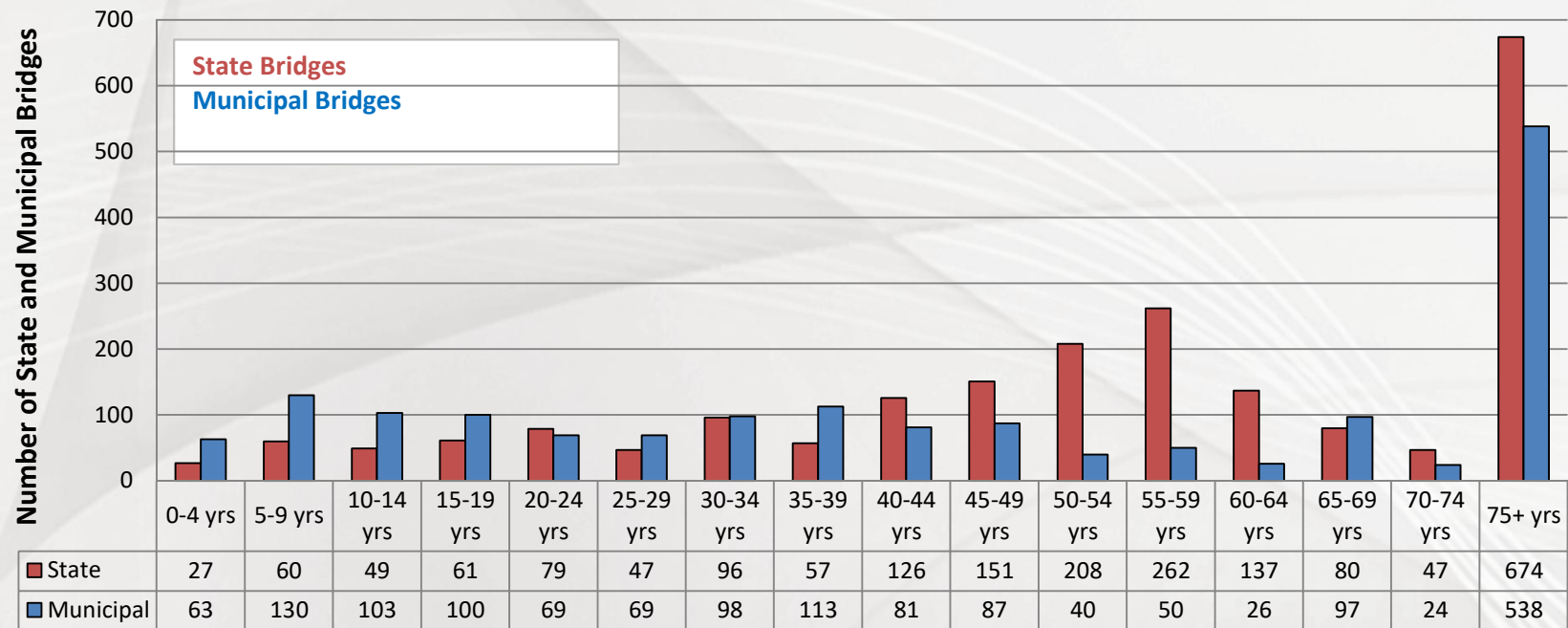
State-Owned Counts	2010	2011	2012	2013	2014	2015	2016	2017	2018
Poor Count ("4" or less)	127	135	127	132	136	142	140	140	133
Fair Count ("5")	254	261	267	271	286	295	295	300	305
Fair Count ("6")	527	522	517	508	517	506	535	544	561
Good Count ("7" or greater)	1189	1191	1206	1216	1193	1194	1163	1150	1137
Black (non-hwy/closed)	30	27	26	26	23	23	23	24	25
Total State-Owned Count	2127	2136	2143	2153	2155	2160	2156	2158	2161

Based on recommended level of investment in approved TYP (2019-2028)

- Number of State Red List Bridges (SRL) - which is representative of bridges in poor condition (rating of 4 or lower) **is expected to increase**
- Higher number of fair condition bridges w/ rating of 5 today than 8 years ago
- 135 of 140 red list bridges listed in 2017 will be addressed
- Current SRL bridge total – **133** (2018)
- Bridges added to SRL by 2028 - **244**
 - Approx. 80% of bridges rated "5" are expected to come on SRL over 10 Year period
- Bridges expected to be removed from SRL by 2028 - **223**
 - 121** removed by Bridge Maintenance forces
 - 102** removed by TYP projects

State & Municipal Bridge Age

Bridge Count per Age Category (5-year Increments, All Bridges)
(per NBI data submitted to FHWA on March 15, 2018)

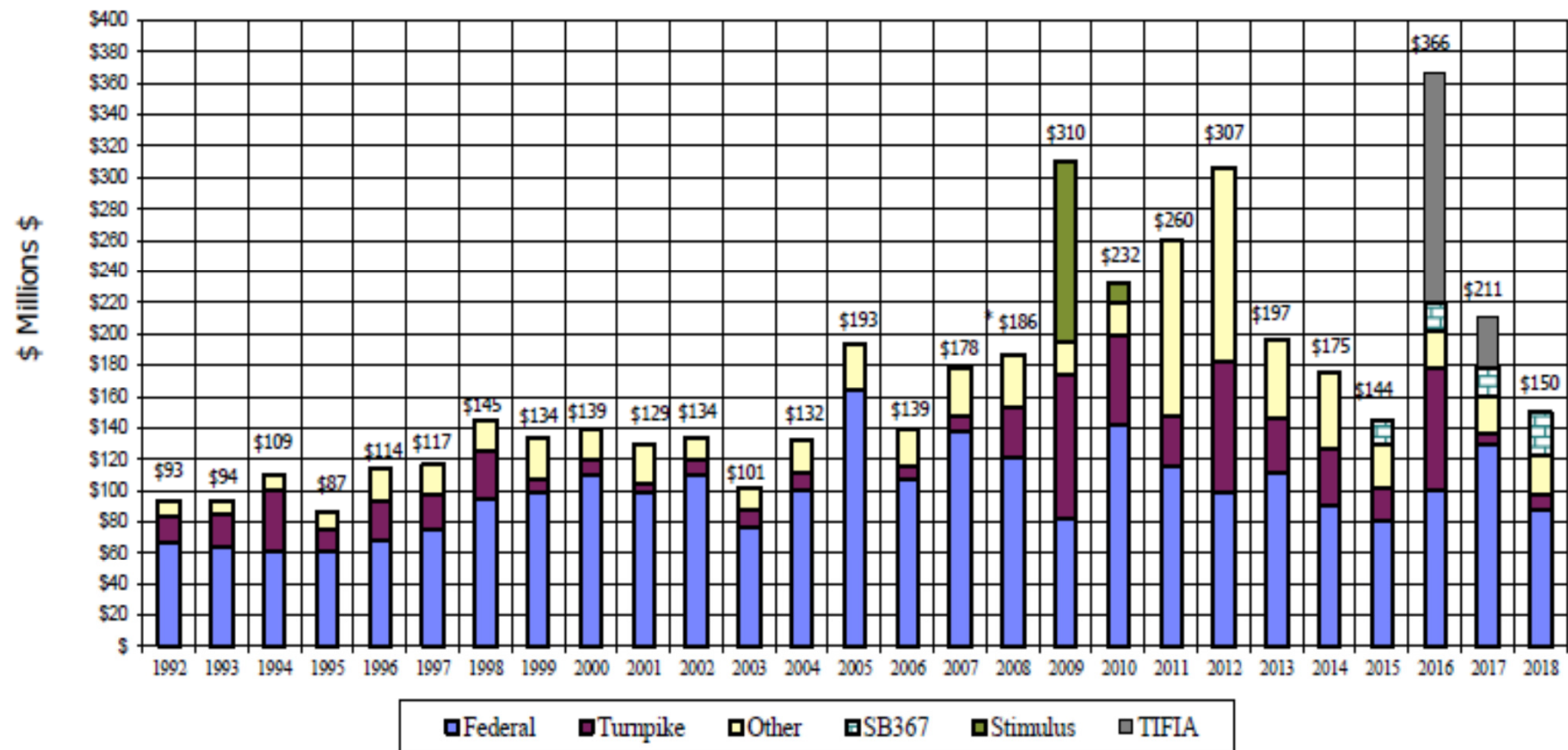


- **Of the 3,849 State & Municipal Bridges, 1,212 are 75 years or older**
 - 2,161 State Bridges – 674 are 75 years or older
 - 1,688 Municipal Bridges – 538 are 75 years or older
- **Major Looming Liability if we do not invest in bridge maintenance and preservation efforts.**



CONSTRUCTION CONTRACTING \$ FOR PROJECTS

Advertised in Federal Fiscal Years (October 1 to September 30)



2008 does not include Portsmouth-Kittery, 13678, Memorial Bridge which advertised, but Not Awarded.

2011 & 2012 reflect CLARVEE advertised projects.

Turnpike Toll Credits

- Turnpike Toll Credits
 - Earned when Turnpike toll revenue is used to construct, reconstruct, rehabilitate, and/or maintain facilities that serve interstate commerce (entire Turnpike System is eligible). Essentially all Turnpike Capital Program and Turnpike RR Program expenditures qualify
 - In essence toll credits are a “soft match” that allow 100% federal funds to be used on a non-Turnpike project
 - All Federal Aid Projects in the draft TYP that require a state match are proposed to use toll credits
 - At the end of FY18, toll credit balance (surplus) was \$236M.
- Pros
 - Provides the ability to fully utilize federal funds when no state cash match is available. Otherwise, federal funds could not be accepted for projects
- Drawbacks
 - Use of Toll Credits to match federal program reduces the program by 25%
 - Continued reliance on use of toll credits results in significantly less investment in overall state’s transportation system than our neighboring states, negatively affecting road and bridge conditions

Issues & Challenges

- Winter Maintenance
 - Under budgeted by \$6.5 M/year
 - Fiscal transfers
 - Uncompetitive rates and shortage of hired trucks

(In Millions)	Actual Expenditures					Budget 2019	5 Year Average	Variance to 5yr Avg
	2014	2015	2016	2017	2018			
Incremental Personnel Costs	\$ 6.5	\$ 7.5	\$ 5.1	\$ 9.0	\$ 8.5	\$ 5.7		
Commodities	13.7	14.0	8.4	13.6	14.2	8.8		
Rented Equipment	8.3	8.8	5.2	9.3	9.2	7.5		
Utilities	0.8	0.8	1.0	0.9	1.1	1.1		
2928 Winter Maint. Total	29.3	31.1	19.7	32.8	33.0	23.1	29.2	(6.1)
Personnel Costs	15.3	14.8	10.8	14.6	14.4	14.0		
3007 Highway Maint. Total	15.3	14.8	10.8	14.6	14.4	14.0	14.0	0.0
State Equipment Usage	5.4	5.3	3.6	4.7	3.8	4.0		
Fuel								
Maintenance								
3005 Mechanical Svcs. Total	5.4	5.3	3.6	4.7	3.8	4.0	4.6	(0.6)
TOTAL	\$ 50.0	\$ 51.2	\$ 34.1	\$ 52.1	\$ 51.2	\$ 41.1	\$ 47.8	\$ (6.7)
Winter Severity Index (WSI)	-27.82	-28.88	-5.00	-24.27	-26.42	n/a	-22.48	

* WSI (winter severity index) is a formula that utilizes temperature and snow fall data.

Issues & Challenges

- Heavy Equipment Fleet - Under budgeted: \$2M/yr vs. \$8M/yr req.

Fiscal Year 2019 Fleet Statistics Summary as of July 1, 2018
Replacement Evaluation Criteria

Category	# Units	Approx. Replacement Costs (Total Fleet)	# Exceeds Life Age or Usage	% of Fleet Exceeding Parameters	Current Replacement Class Totals	Target Funding Level / Yr.
Trucks_ExtraHeavy Duty >45000#	70	\$15,970,000	29	41%	\$8,270,000	
Trucks_Heavy Duty > 20001#	260	\$39,435,000	78	30%	\$11,935,000	
Trucks_Medium Duty > 10001#	55	\$4,400,000	27	49%	\$2,160,000	
Trucks_Light Duty < 8501#	130	\$2,519,500	37	28%	\$717,500	
Trucks_Light Duty > 8501#	180	\$5,002,500	42	23%	\$1,166,000	
Passenger Autos_	93	\$1,633,000	18	19%	\$321,000	
Vans & Buses_1 seats 9-20	1	\$30,000	1	100%	\$30,000	
Mobile Equipment_Construction	149	\$19,486,000	119	80%	\$14,866,000	
Trailers_Equipment -Flatbed	9	\$90,000	9	100%	\$90,000	
Trailers_Enclosed	1	\$25,000	1	100%	\$25,000	
Associated Equipment_	289	\$7,215,000	1	0.3%	\$20,000	
	1,237	\$95,806,000	362	29%	\$39,600,500	\$8,247,093
Actual Average Annual Investment over past 10 years						\$4,330,000

Anticipated Spending in FY19:

VW Settlement Funds \$6.2M

Capital Fund 30 Bonded \$5.0M

Operating Budget \$2.0M

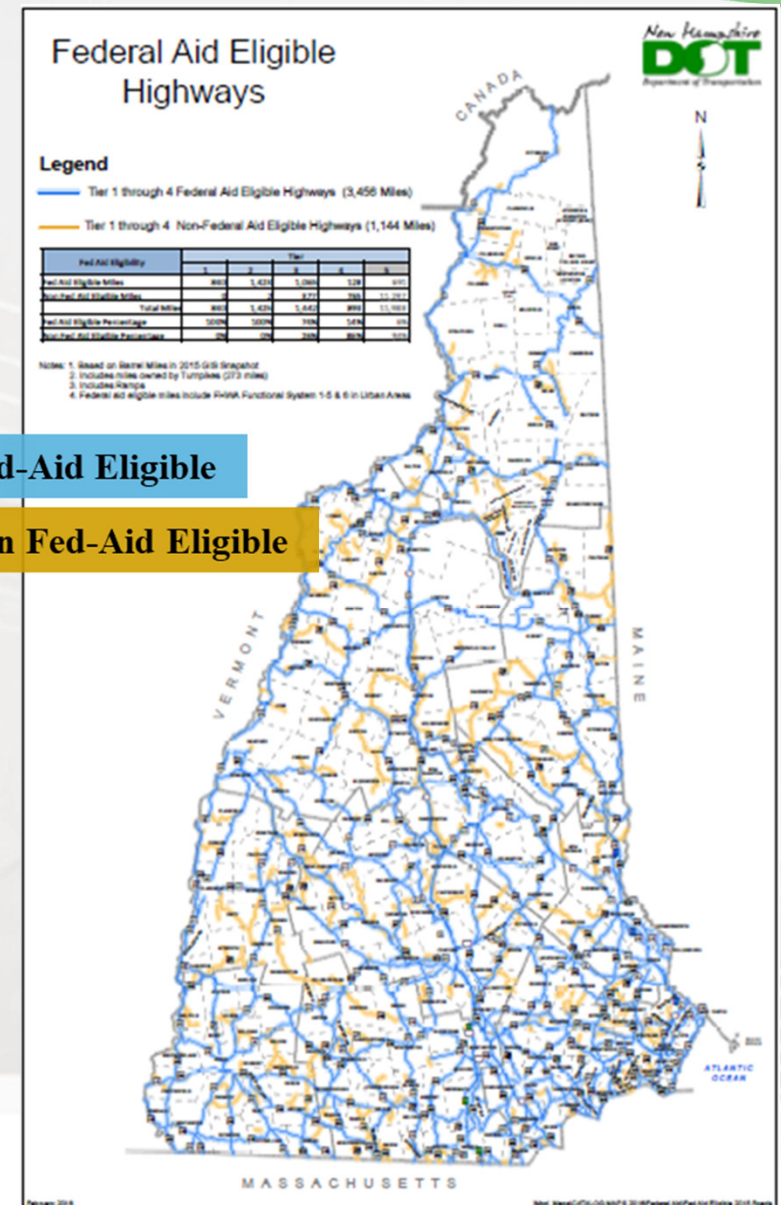
Total \$13.2M vs Target Funding per year means \$5M was used against deferred backlog of nearly \$40M.

Issues & Challenges

- Limited State Funding for Non-Fed Eligible State Roads
- Only Betterment Program & TIFIA pledged SB367 revenue exists for Non-Fed Aid state roads

3,460 Miles – Fed-Aid Eligible

1,142 Miles – Non Fed-Aid Eligible



SB367 Expenditure Waterfall

DOT 01/17/19		STATE OF NEW HAMPSHIRE SB 367 - AMENDMENT #2015-1810s BUDGETARY ESTIMATES WITH TIFIA FINANCING					
Fiscal Year	\$0.042 Dedicated Road Toll Increase ¹	Municipal Block Grant Aid (12% PY Revenue)	Debt Service & Cost of Issuing Bonds Due on \$200M TIFIA Financing ² for I-93	Additional State Aid for Municipal Bridges	DOT Operating Budget	Transfer from FY 16 savings in Operating ⁴	TIFIA Pledged Paving and Bridge Repair ³
2015 Actual	\$34,317,587	-	\$100,000	\$9,117,587	-		\$25,100,000
2016 Actual	\$34,686,888	\$4,118,110	\$284,354	\$6,800,000	\$8,300,000		\$15,184,423
2017 Actual	\$34,974,610	\$4,162,427	\$473,303	\$6,800,000	\$8,300,000	\$4,000,000	\$19,238,880
2018 Actual	\$35,358,920	\$4,196,953	\$735,276	\$6,800,000	-		\$23,626,691
2019 Budget	\$34,479,900	\$4,243,070	\$1,396,683	\$6,800,000	-		\$22,040,147
2020	\$34,479,797	\$4,137,588	\$1,864,483	\$6,800,000	-		\$21,677,726
2021	\$34,479,693	\$4,137,576	\$2,147,107	\$6,800,000	-		\$21,395,011
2022	\$34,479,590	\$4,137,563	\$2,195,000	\$6,800,000	-		\$21,347,027
2023	\$34,479,486	\$4,137,551	\$2,195,000	\$6,800,000	-		\$21,346,935
2024	\$34,479,383	\$4,137,538	\$2,197,986	\$6,800,000	-		\$21,343,858
2025	\$34,479,279	\$4,137,526	\$2,192,014	\$6,800,000	-		\$21,349,739
2026	\$34,479,176	\$4,137,514	\$23,405,706	\$6,800,000	-		\$135,956
2027	\$34,479,072	\$4,137,501	\$23,405,706	\$6,800,000	-		\$135,865
2028	\$34,478,969	\$4,137,489	\$23,405,706	\$6,800,000	-		\$135,774
2029	\$34,478,866	\$4,137,476	\$23,405,706	\$6,800,000	-		\$135,683
2030	\$34,478,762	\$4,137,464	\$23,405,706	\$6,800,000	-		\$135,592
2031	\$34,478,659	\$4,137,451	\$23,405,706	\$6,800,000	-		\$135,501
2032	\$34,478,555	\$4,137,439	\$23,405,706	\$6,800,000	-		\$135,410
2033	\$34,478,452	\$4,137,427	\$23,405,706	\$6,800,000	-		\$135,319
2034	\$34,478,348	\$4,137,414	\$23,405,706	\$6,800,000	-		\$135,228
TOTAL	\$691,003,992	\$78,783,078	\$226,432,560	\$138,317,587	\$16,600,000	4,000,000.00	\$234,870,767

¹ - For FY 2019, Approved Budget as passed HB144 Chapter 155 Laws of 2017; FY 2020 - FY 2034 provided by the Department of Safety, assumes a 0.0003% decrease each year thereafter.

² - Actual/Projected debt service based on loan closing 5/24/2016.

- \$200M TIFIA Financing; 9 year deferral period for principal payments

- All-In True Interest Cost = 1.09%

- Includes \$15,000 annual TIFIA Administrative Fee.

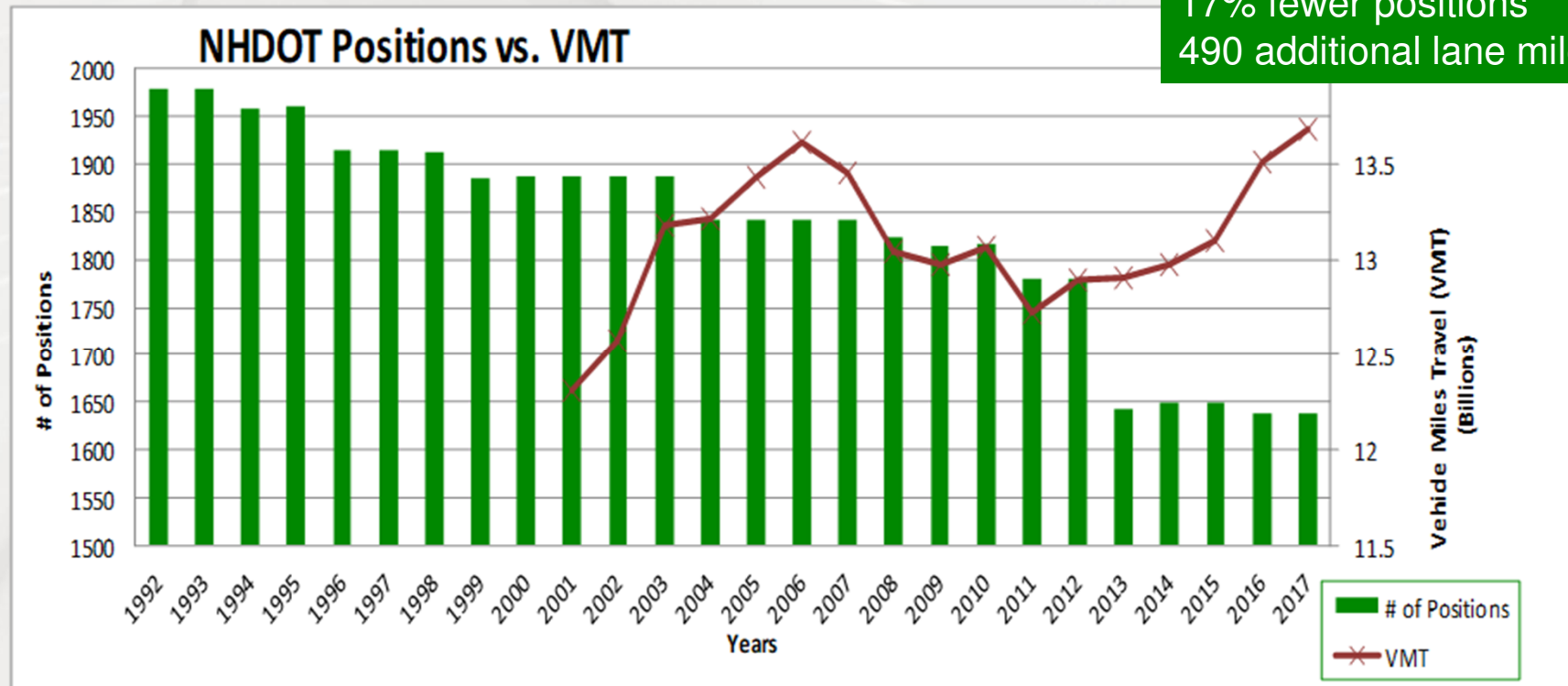
³ - Pursuant to SB367 requirements, funds identified will be allocated based on RSA 235:23-a, Highway and Bridge Betterment Account.

⁴ - Savings realized in Highway Maintenance in FY2016 transferred to TIFIA Pledged Paving and Bridge Repair pursuant to CH 0324:10 L16.

Issues & Challenges

- Leaner DOT doing More with Less

VMT 11% increase
17% fewer positions
490 additional lane miles



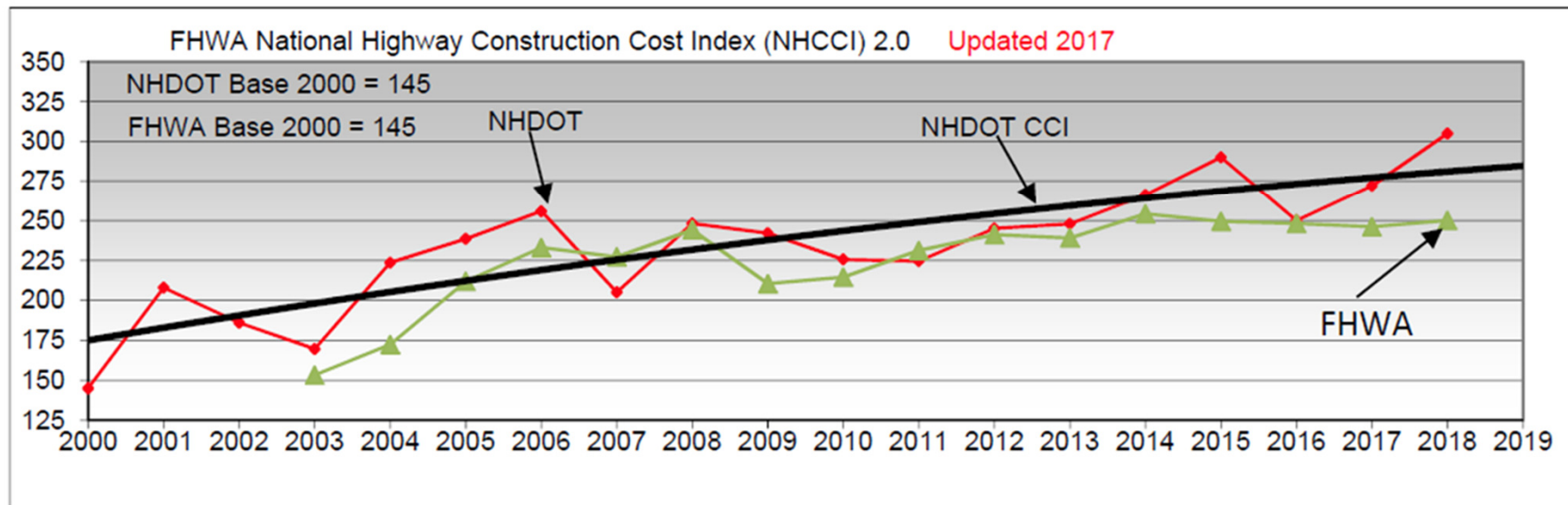
- Currently 1,643 permanent employees: 17% fewer than in 1992
- Retirements, Recruitment & Retention pose serious challenges

Issues & Challenges

- Costs (Construction, Materials & Personnel) Continue to Rise
 - Construction costs have increased 40% since 2003
 - CPI has increased 37% since 2003

Construction Cost Indices for the 1st Half of 2018

NHDOT Base 2000 = 145; FHWA Base 2000 = 145



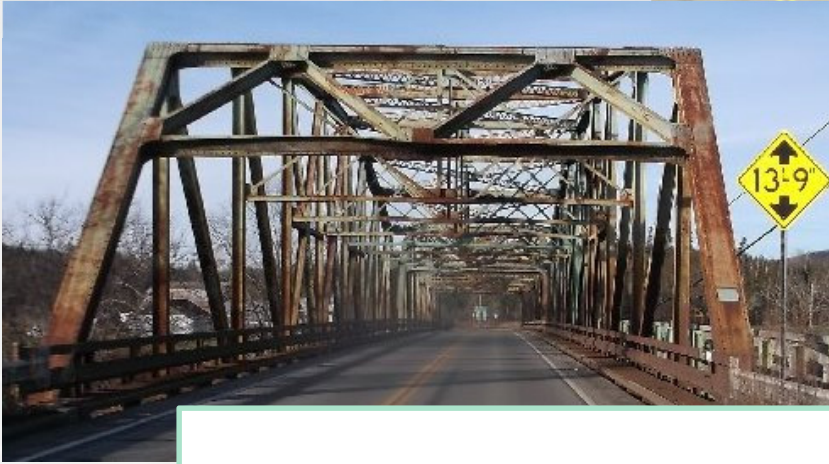
https://www.nh.gov/dot/org/projectdevelopment/construction/documents/cci_current.pdf

https://inflationdata.com/Inflation/Consumer_Price_Index/CurrentCPI.asp?reloaded=true

Unfunded Needs – Case for Add'l Revenue

- OPERATIONS - \$22M
- STATE'S RED LIST BRIDGES - \$16M
- MUNICIPAL RED LIST BRIDGES - \$8M
- REHABILITATION/RECONSTRUCTION OF NON FED-AID ELIGIBLE STATE ROADS - \$12M
- REPLACEMENT OF TIFIA PLEDGED PAVING (2026) - \$12M
- FUNDING FOR SOUNDWALL PROGRAM - \$4M
- FUNDING FOR CULVERT REPLACEMENT PROGRAM - \$2M
- FUNDING FOR STATE RAIL TRAILS PROGRAM - \$2M
- FUNDING FOR CORRIDOR IMPROVEMENTS - Indeterminable

**\$78M PER YEAR OF
ADDITIONAL NEEDS**



Questions / Comments

